

ND TEACHERS FUND FOR RETIREMENT
INVESTMENT PERFORMANCE REPORT AS OF AUGUST 31, 2007

	August-07				July-07				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Policy	Month	Market Value	Allocation	Policy	Month	Fiscal YTD	FY07	Ended	Ended
				Net ROR				Net ROR	Net ROR		6/30/2007	6/30/2007
											Net	Net
LARGE CAP DOMESTIC EQUITY												
<i>Structured Growth</i>												
LA Capital	71,802,637	3.6%	3.8%	1.14%	71,799,393	3.6%	3.8%	-3.21%	-2.10%	21.75%	13.79%	N/A
Total Structured Growth	71,802,637	3.6%	3.8%	1.14%	71,799,393	3.6%	3.8%	-3.21%	-2.10%	21.75%	13.79%	11.59%
Russell 1000 Growth				1.59%				-1.55%	0.02%	19.04%	8.70%	9.28%
<i>Structured Value</i>												
LSV	82,070,529	4.2%	4.2%	1.16%	81,106,238	4.1%	4.2%	-4.79%	-3.69%	23.29%	19.11%	16.46%
Russell 1000 Value				1.12%				-4.62%	-3.56%	21.87%	15.93%	13.31%
<i>Enhanced Russell 1000 Index</i>												
LA Capital	75,889,882	3.9%	3.9%	0.85%	75,243,234	3.8%	3.9%	-3.82%	-3.00%	20.43%	13.31%	11.77%
Russell 1000				1.36%				-3.09%	-1.77%	20.43%	12.34%	11.33%
<i>Enhanced S&P 500 Index</i>												
Northern Trust	69,315,453	3.5%	3.6%	1.55%	68,245,226	3.4%	3.6%	-3.90%	-2.42%	19.26%	11.40%	10.53%
Westridge	90,114,015	4.6%	3.6%	1.54%	88,784,397	4.5%	3.6%	-1.62%	-0.10%	21.05%	12.00%	11.00%
Wells Capital	58,433,803	3.0%	2.8%	1.81%	57,302,314	2.9%	2.8%	-4.75%	-3.02%	30.71%	N/A	N/A
Franklin	51,737,320	2.6%	2.8%	1.74%	50,821,956	2.6%	2.8%	-4.38%	-2.73%	N/A	N/A	N/A
Total Enhanced S&P 500 Index	269,600,591	11.1%	12.9%	1.64%	265,153,893	10.8%	12.9%	-3.43%	-1.85%	21.56%	11.94%	11.24%
S&P 500				1.50%				-3.10%	-1.65%	20.59%	11.68%	10.71%
<i>Absolute Return Strategy</i>												
Epoch	14,446,117	0.7%	1.3%	0.92%	14,328,489	0.7%	1.3%	N/A	N/A	N/A	N/A	N/A
S&P 500				1.50%				-3.10%	-1.65%			
<i>S&P 500 Index</i>												
State Street	35,791,072	1.8%	2.0%	0.81%	35,481,093	1.8%	2.0%	-4.08%	-3.31%	21.86%	12.41%	11.15%
S&P 500				1.50%				-3.10%	-1.65%	20.59%	11.68%	10.71%
TOTAL LARGE CAP DOMESTIC EQUITY	549,600,827	27.9%	28.0%	1.30%	543,112,341	27.3%	28.0%	-3.70%	-2.45%	21.66%	13.61%	12.15%
S&P 500				1.50%				-3.10%	-1.65%	20.59%	11.68%	10.71%
SMALL CAP DOMESTIC EQUITY												
<i>Manager-of-Managers</i>												
SEI	131,321,154	6.7%	7.2%	0.89%	137,820,493	6.9%	7.2%	-7.14%	-6.31%	17.13%	13.31%	14.32%
Russell 2000 + 200bp				2.43%				-6.67%	-4.40%	18.76%	15.72%	16.16%
Callan	57,366,743	2.9%	2.8%	1.46%	56,567,608	2.8%	2.8%	-5.30%	-3.91%	21.00%	N/A	N/A
Russell 2000				2.27%				-6.84%	-4.73%	16.44%		
TOTAL SMALL CAP DOMESTIC EQUITY	188,687,897	9.6%	10.0%	1.06%	194,388,101	9.8%	10.0%	-6.60%	-5.62%	17.89%	13.50%	14.44%
Russell 2000				2.27%				-6.84%	-4.73%	16.44%	13.45%	13.88%
INTERNATIONAL EQUITY												
<i>Large Cap - Core</i>												
State Street	35,170,439	1.8%	1.8%	-2.31%	35,979,863	1.8%	1.8%	-1.25%	-3.52%	27.82%	20.73%	15.09%
MSCI EAFE (1)				-1.56%				-1.47%	-3.01%	27.00%	20.77%	14.70%
<i>Large Cap - Active</i>												
Capital Guardian	106,384,487	5.4%	5.4%	-2.56%	109,282,348	5.5%	5.4%	-1.97%	-4.47%	26.04%	21.52%	14.83%
LSV	105,517,456	5.4%	5.4%	-2.87%	108,625,261	5.5%	5.4%	-1.92%	-4.74%	29.94%	N/A	N/A
Bank of Ireland	35,045,860	1.8%	1.8%	-3.69%	36,375,187	1.8%	1.8%	-1.49%	-5.12%	25.29%	19.70%	13.72%
Total Large Cap - Active	246,947,802	12.5%	12.6%	-2.85%	254,282,796	12.8%	12.6%	-1.88%	-4.68%	27.58%	22.64%	15.45%
MSCI EAFE - 50% Hedged				-1.40%				-2.31%	-3.68%	26.94%	22.55%	15.71%
<i>Small Cap - Active</i>												
Lazard	33,774,963	1.7%	1.8%	-5.06%	35,607,049	1.8%	1.8%	0.24%	-4.83%	24.18%	22.99%	21.28%
Wellington	35,039,709	1.8%	1.8%	-5.17%	37,002,299	1.9%	1.8%	0.13%	-5.05%	26.62%	20.49%	21.40%
Total Small Cap - Active	68,814,672	3.5%	3.6%	-5.12%	72,609,349	3.6%	3.6%	0.18%	-4.94%	25.39%	21.75%	21.34%
Citigroup Broad Market Index < \$2BN				4.60%				1.20%	5.86%	28.60%	26.33%	25.39%
TOTAL INTERNATIONAL EQUITY	350,932,913	17.8%	18.0%	-3.25%	362,872,007	18.2%	18.0%	-1.41%	-4.62%	27.21%	22.14%	16.66%
MSCI EAFE - 50% Hedged				-1.40%				-2.31%	-3.68%	26.94%	22.55%	15.71%
EMERGING MARKETS EQUITY												
<i>Core</i>												
JP Morgan	20,091,140	1.0%	0.9%	-0.55%	20,233,438	1.0%	0.9%	2.34%	1.78%	46.07%	N/A	N/A
PanAgora	19,727,687	1.0%	0.9%	-2.48%	20,216,270	1.0%	0.9%	6.13%	3.51%	46.34%	N/A	N/A
WestLB	19,548,887	1.0%	0.9%	-4.16%	20,347,245	1.0%	0.9%	6.60%	2.16%	42.11%	N/A	N/A
UBS	34,445,682	1.7%	1.5%	-0.70%	34,664,560	1.7%	1.5%	3.44%	2.71%	42.04%	N/A	N/A
Total Core	93,813,396	4.8%	4.0%	-1.78%	95,461,513	4.8%	4.1%	4.42%	2.56%	43.90%	37.74%	29.07%
MSCI Emerging Markets				-2.09%				5.33%	3.12%	45.45%	38.67%	21.67%
<i>Small Cap</i>												
DFA	21,683,085	1.1%	1.0%	-4.23%	22,625,828	1.1%	1.0%	4.80%	0.36%	68.14%	N/A	N/A
MSCI Emerging Markets				-2.09%				5.33%	3.12%	45.45%		
<i>Private Equity</i>												
Capital International	875,424	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
MSCI Emerging Markets												
TOTAL EMERGING MARKETS EQUITY	116,371,905	5.9%	5.0%	-2.25%	118,087,341	5.9%	5.0%	4.49%	2.14%	48.23%	38.70%	29.61%
MSCI Emerging Markets				-2.09%				5.33%	3.12%	45.45%	38.67%	30.66%
DOMESTIC FIXED INCOME												
<i>Core Bond</i>												
Western Asset	26,644,276	1.4%	1.3%	0.48%	26,419,908	1.3%	1.3%	0.35%	0.84%	7.00%	4.29%	5.59%
Lehman Aggregate				1.23%				0.83%	2.07%	6.12%	3.98%	4.48%
<i>Index</i>												
Bank of ND	48,200,502	2.4%	3.0%	1.42%	47,374,319	2.4%	3.0%	1.07%	2.52%	5.69%	3.78%	4.49%
Total Index	48,200,502	2.4%	3.0%	1.42%	47,374,319	2.4%	3.0%	1.07%	2.52%	5.69%	3.92%	4.50%
Lehman Gov/Credit				1.28%				1.00%	2.29%	6.00%	3.84%	4.69%
<i>Convertibles</i>												
Calamos (2)	27,592,465	1.4%	1.3%	1.81%	27,080,863	1.4%	1.3%	-2.22%	-0.45%	N/A	N/A	N/A
Total Convertibles	27,592,465	1.4%	1.3%	1.81%	27,080,863	1.4%	1.3%	-2.22%	-0.45%	12.55%	5.57%	3.31%
Merrill Lynch All Convertibles (3)				-0.12%				-2.40%	-2.51%	15.38%	8.30%	10.89%
<i>BBB Average Quality</i>												
Wells Capital	26,578,930	1.3%	1.3%	1.01%	26,215,345	1.3%	1.3%	-0.14%	0.87%	9.12%	5.96%	6.71%
Lehman BBB				1.06%				-0.06%	1.00%	7.54%	4.47%	6.43%

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	Market Value	Allocation	Policy	Month	Market Value	Allocation	Policy	Month	Fiscal YTD	FY07	Ended	Ended
				Net ROR				Net ROR	Net ROR		6/30/2007	6/30/2007
											Net	Net
Private Debt												
Prudential	27,023,789	1.4%	1.3%	1.13%	26,635,295	1.3%	1.3%	0.62%	1.76%	7.16%	N/A	N/A
Lehman Aggregate				1.23%				0.83%	2.07%	6.12%	N/A	N/A
Timberland												
TIR - Teredo (4)	20,908,448	1.1%	1.1%	-0.06%	20,846,312	1.0%	1.0%	-0.06%	-0.12%	26.95%	12.73%	12.23%
TIR - Springbank	44,259,249	2.2%	2.2%	-0.02%	44,135,408	2.2%	2.2%	-0.02%	-0.05%	26.90%	N/A	N/A
Total Timberland	65,167,697	3.3%	3.3%	-0.03%	64,981,721	3.3%	3.3%	-0.04%	-0.07%	27.33%	26.21%	20.09%
NCREIF Timberland Index				0.76%				0.76%	1.53%	11.89%	15.17%	11.37%
Infrastructure												
JP Morgan	10,953,587	0.6%	0.6%	-0.07%	10,920,551	0.5%	0.5%	-1.03%	-1.11%	N/A	N/A	N/A
TOTAL DOMESTIC FIXED INCOME	232,161,246	11.8%	12.0%	0.80%	229,628,003	11.5%	12.0%	0.03%	0.82%	12.52%	11.43%	10.17%
Lehman Aggregate				1.23%				0.83%	2.07%	6.12%	3.98%	4.48%
HIGH YIELD BONDS												
Core												
Loomis Sayles	63,890,780	3.2%	3.3%	1.44%	63,372,716	3.2%	3.3%	-3.40%	-2.01%	13.37%	11.25%	N/A
Sutter/Wells Capital	60,489,407	3.1%	3.3%	1.44%	63,472,732	3.2%	3.3%	-7.54%	-6.21%	9.82%	8.02%	N/A
Total Core	124,380,187	6.3%	6.6%	1.44%	126,845,449	6.4%	6.6%	-5.44%	-4.08%	11.59%	9.63%	5.67%
LB High Yield 2% Issuer Constrained Index				1.49%				-3.48%	-2.04%	11.22%	8.70%	N/A
Mezzanine Debt												
Goldman Sachs	2,887,897	0.1%	0.1%	-0.14%	3,095,363	0.2%	0.2%	-0.14%	-0.29%	7.39%	N/A	N/A
TCW	4,630,791	0.2%	0.2%	0.00%	4,630,791	0.2%	0.2%	N/A	N/A	N/A	N/A	N/A
Total Mezzanine Debt	7,518,688	0.4%	0.4%	-0.14%	7,726,155	0.4%	0.4%	-0.14%	-0.29%	7.39%	N/A	N/A
LB High Yield 2% Issuer Constrained Index				1.49%				-3.48%	11.22%	11.22%		
TOTAL HIGH YIELD BONDS	131,898,875	6.7%	7.0%	1.36%	134,571,604	6.8%	7.0%	-5.37%	-4.08%	11.62%	9.64%	11.24%
LB High Yield 2% Issuer Constrained Index				1.49%				-3.48%	-2.04%	11.22%	8.77%	11.75%
INTERNATIONAL FIXED INCOME												
International Sovereign												
UBS Global (Brinson)	43,460,745	2.2%	2.5%	1.16%	42,982,499	2.2%	2.5%	3.18%	4.39%	0.21%	2.69%	6.66%
Citigroup Non-US Gov't Bond Index (5)				1.64%				3.31%	5.00%	2.22%	3.23%	6.89%
International Core												
Brandywine	44,265,716	2.2%	2.5%	-0.48%	44,563,942	2.2%	2.5%	1.59%	1.09%	6.63%	7.38%	N/A
Lehman Global Aggregate (ex-US)				1.21%				2.79%	4.03%	3.78%	5.22%	N/A
TOTAL INTERNATIONAL FIXED INCOME	87,726,461	4.5%	5.0%	0.33%	87,546,440	4.4%	5.0%	2.36%	2.70%	3.41%	5.03%	8.23%
Citigroup Non-US Gov't Bond Index (5)				1.64%				3.31%	5.00%	2.22%	3.27%	6.92%
REAL ESTATE												
INVESCO	93,093,483			-0.04%	93,093,605			-0.04%	-0.08%	14.44%	20.09%	14.86%
J.P. Morgan Strategic & Special Funds	97,280,405			0.77%	96,455,165			-0.09%	0.68%	19.72%	20.09%	15.71%
J.P. Morgan Alternative Property Fund	22,709,392			-0.33%	22,709,392			-0.33%	-0.66%	6.70%	N/A	N/A
TOTAL REAL ESTATE	213,083,280	10.8%	9.0%	0.30%	212,258,162	10.7%	9.0%	-0.09%	0.20%	15.47%	19.41%	14.88%
NCREIF TOTAL INDEX				1.51%				1.51%	3.04%	17.24%	17.83%	14.30%
ALTERNATIVE INVESTMENTS												
Brinson IVCF III	455,311			0.00%	455,311			0.00%	0.00%	110.68%	45.47%	24.48%
Coral Partners V	3,395,066			0.00%	3,438,719			0.00%	0.00%	-1.78%	-4.71%	-14.30%
Coral Partners V - Supplemental	485,475			0.00%	487,177			0.00%	0.00%	8.49%	3.75%	0.86%
Coral Momentum Fund (Formerly Fund VI)	9,606,082			0.00%	11,559,935			0.00%	0.00%	-16.26%	N/A	N/A
Brinson 1998 Partnership Fund	791,158			0.00%	791,297			0.00%	0.00%	31.02%	22.24%	11.25%
Brinson 1999 Partnership Fund	2,006,175			0.00%	2,006,526			0.00%	0.00%	19.95%	14.43%	7.53%
Brinson 2000 Partnership Fund	5,513,046			0.00%	5,514,010			0.00%	0.00%	13.52%	18.72%	9.86%
Brinson 2001 Partnership Fund	4,592,987			0.00%	4,593,790			0.00%	0.00%	15.81%	13.02%	7.67%
Brinson 2002 Partnership Fund	2,582,617			0.00%	2,583,069			0.00%	0.00%	11.10%	12.11%	11.95%
Brinson 2003 Partnership Fund	806,682			0.00%	870,092			0.00%	0.00%	34.38%	19.70%	N/A
Total Brinson Partnership Funds	16,292,664			0.00%	16,358,783			0.00%	0.00%	16.34%	16.34%	10.08%
Brinson 1998 Non-US Partnership Fund	819,451			0.00%	1,065,681			0.00%	0.00%	111.26%	57.67%	39.95%
Brinson 2000 Non-US Partnership Fund	1,926,739			0.00%	2,083,768			0.00%	0.00%	55.10%	34.26%	25.05%
Brinson 2001 Non-US Partnership Fund	1,591,594			0.00%	1,591,872			0.00%	0.00%	7.81%	14.42%	11.71%
Brinson 2002 Non-US Partnership Fund	3,077,972			0.00%	3,209,376			0.00%	0.00%	88.98%	43.24%	29.72%
Brinson 2003 Non-US Partnership Fund	2,381,175			0.00%	2,821,036			0.00%	0.00%	76.59%	33.38%	N/A
Brinson 2004 Non-US Partnership Fund	924,579			0.00%	1,063,332			0.00%	0.00%	23.98%	15.75%	N/A
Total Brinson Non-US Partnership Fund	10,721,510			0.00%	11,835,065			0.00%	0.00%	62.33%	35.68%	25.84%
Brinson BVCF IV	8,878,792			0.00%	9,580,788			0.00%	0.00%	-3.23%	10.47%	6.87%
Adams Street Direct Co-investment Fund	4,748,715			0.00%	4,749,545			0.00%	0.00%	N/A	N/A	N/A
Matlin Patterson Global Opportunities	2,234,384			0.00%	7,353,330			0.00%	0.00%	10.95%	25.72%	N/A
Matlin Patterson Global Opportunities II	16,001,873			0.00%	15,905,318			0.00%	0.00%	37.09%	N/A	N/A
Matlin Patterson Global Opportunities III	1,881,768			0.00%	403,319			0.00%	0.00%	N/A	N/A	N/A
InvestAmerica	2,759,156			0.00%	2,759,638			0.00%	0.00%	13.96%	-2.58%	-5.68%
Hearthstone MSII	1			0.00%	1			0.00%	0.00%	-95.85%	-100.00%	-100.00%
Hearthstone MSIII	1,483,286			0.00%	1,483,546			0.00%	0.00%	208.65%	79.05%	N/A
Corsair III	1,828,551			0.00%	2,008,765			0.00%	0.00%	N/A	N/A	N/A
Quantum Resources	1,820,606			0.00%	1,991,360			0.00%	0.00%	N/A	N/A	N/A
Quantum Energy Partners	418,002			0.00%	458,029			0.00%	0.00%	N/A	N/A	N/A
TOTAL ALTERNATIVE INVESTMENTS (6)	83,011,241	4.2%	5.0%	0.00%	90,828,629	4.6%	5.0%	0.00%	0.00%	17.09%	15.13%	7.33%
CASH EQUIVALENTS												
Northern Trust STIF/STEP	16,217,606	0.8%	1.0%	-0.25%	17,786,476	0.9%	1.0%	0.33%	0.08%	5.25%	3.91%	3.00%
90 Day T-Bill				0.56%				0.39%	0.95%	5.21%	3.78%	2.76%
TOTAL FUND	1,969,692,252	100.0%	100.0%	-0.04%	1,991,079,103	100.0%	100.0%	-1.97%	-2.01%	20.05%	16.03%	13.77%
POLICY TARGET BENCHMARK				0.76%				-1.54%	-0.79%	18.41%	14.38%	12.45%

NOTE: Monthly returns and market values are preliminary and subject to change.

- (1) This benchmark was changed to the MSCI EAFE (unhedged) as of December 1, 2004.
- (2) TCW was terminated on September 22, 2006. The portfolio was transferred to Calamos on October 5, 2006.
- (3) Prior to January 1, 2005, the benchmark was the First Boston Convertible Index.
- (4) Prior to June 1, 2006, the Toledo properties were under the management of RMK.
- (5) Previously this benchmark was titled Salomon Brothers Non-US Gov't Bond Index.
- (6) Because of the variation in fee calculations in Alternative Investments, only net returns will be shown until June of each year when actual costs are known.